

STANISLAUS COUNTY ECONOMIC FORECAST

Stanislaus County is located in the heart of the San Joaquin Valley, bordered by the Bay Area to the west and the Sierra Nevada Mountains to the east. Stanislaus County has a population of 545,000 people and a total of 187,000 wage and salary jobs. Most of the population, as well as the jobs, are located in Modesto, the county's largest city. The income per capita in Stanislaus County is \$40,798 and the average salary per worker is \$54,509.

Like the rest of the San Joaquin Valley, Stanislaus County is a large producer of agricultural goods. Its primary commodities are milk, almonds, walnuts, cattle, and chickens, each generating more than \$200 million in output per year.

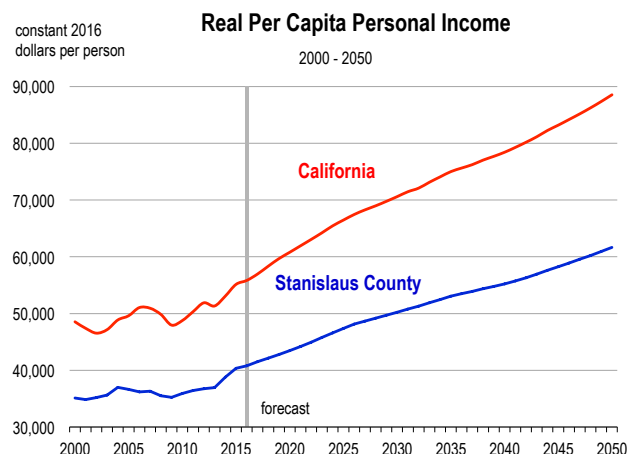
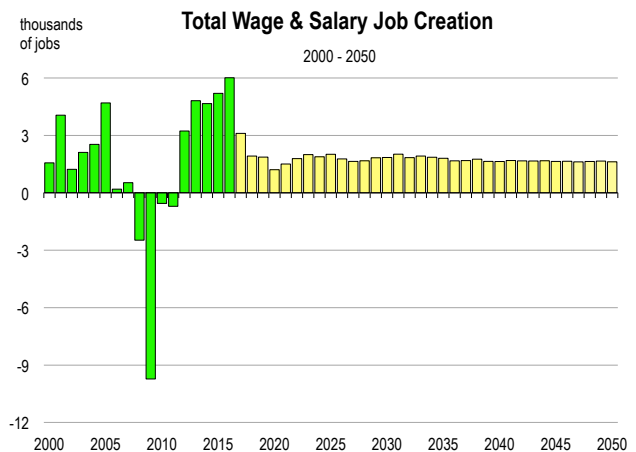
In 2016, employment across Northern California increased by 3.2 percent, whereas employment in the San Joaquin Valley (Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare counties) grew by 2.9 percent. In Stanislaus County, 6,000 wage and salary jobs were gained, representing a growth rate of 3.3 percent. The unemployment rate improved substantially, falling from 9.5 percent in 2015 to 8.5 percent in 2016.

In 2016, most employment sectors were characterized by positive job growth. The largest gains were observed in education and healthcare (+850 jobs), leisure and hospitality (+840 jobs), government (+810 jobs), and wholesale and retail trade (+770 jobs). Declines were not observed in any major sector.

Between 2011 and 2016, the population of Stanislaus County increased at an average rate of 1.0 percent per year. This growth was due largely to the natural increase (new births), although an average of more than 1,600 net migrants entered the county each year.

FORECAST HIGHLIGHTS

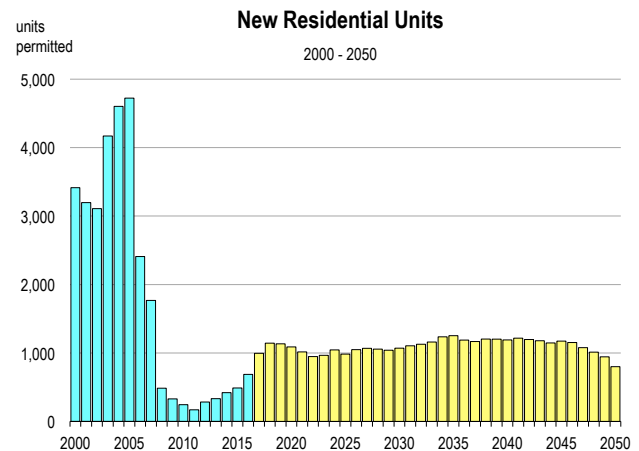
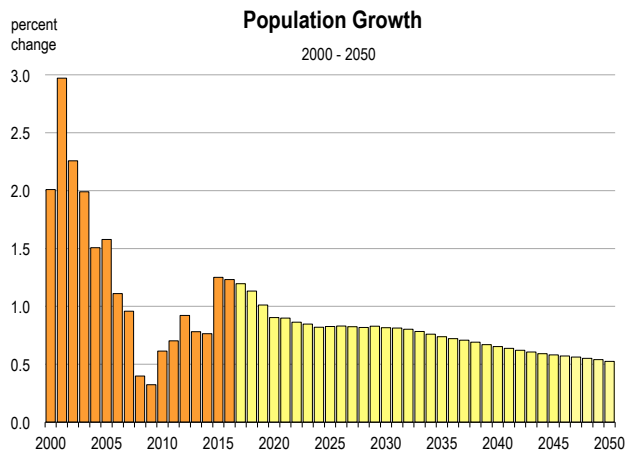
- In 2017, total wage and salary employment is expected to increase by 1.7 percent. Between 2017 and 2022, job growth will average 0.9 percent per year.
- Average salaries are currently well below the California state average, and will remain so over the forecast period. In Stanislaus County, inflation-adjusted salaries are expected to rise by an average of 2.1 percent per year between 2017 and 2022.
- Between 2017 and 2022, employment growth will be led by education and healthcare, professional and business services, wholesale and retail trade, and government. Combined, these sectors will account for 84 percent of net job creation in the county.
- Over the 2017-2022 period, population growth will average 1.0 percent per year.
- Between 2017 and 2022, an average of 1,700 net migrants will enter the county each year, accounting for more than 30 percent of all population gains.
- Real income per capita is expected to rise by 1.8 percent in 2017. From 2017 to 2022, real income per capita will increase by an average of 1.6 percent per year.
- Total taxable sales, adjusted for inflation, will increase by an average of 1.5 percent per year over the 2017-2022 period.
- Industrial production is projected to rise by 4.5 percent in 2017. From 2017 to 2022, the growth rate of industrial production is expected to average 1.8 percent per year.
- Farm production is expected to increase by 1.3 percent per year between 2017 and 2022. The principal commodities in the county are milk, almonds, and chickens.



Stanislaus County Economic Forecast

2010-2016 History, 2017-2050 Forecast

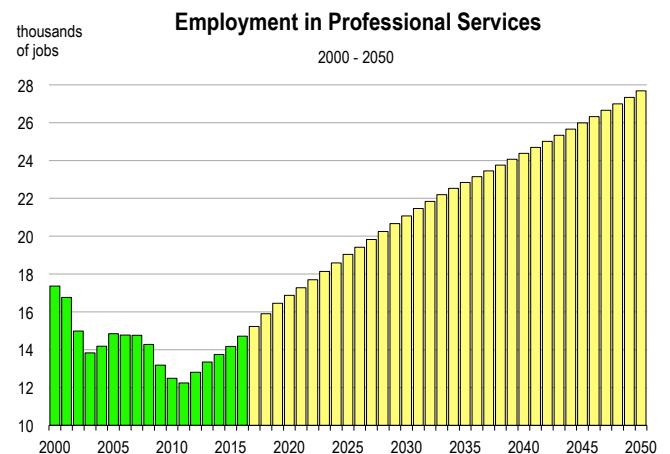
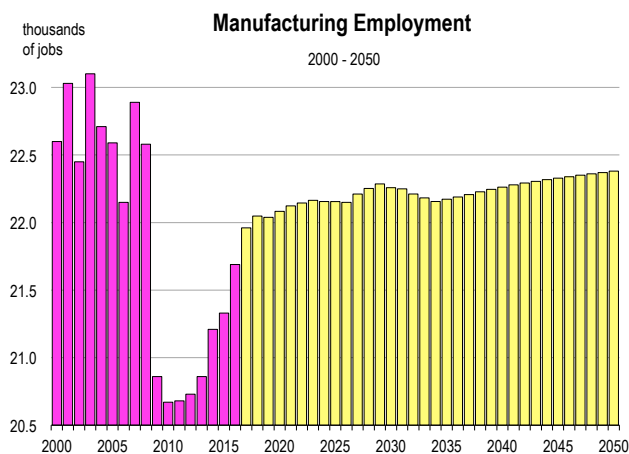
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	515,194	-1,201	443	165.2	244	\$6.1	\$16.4	\$35,928	1.3	2.89	5.49	16.9
2011	518,812	-513	439	165.4	171	\$6.7	\$17.2	\$36,417	2.7	3.37	5.22	16.5
2012	523,596	877	439	166.0	283	\$7.2	\$17.9	\$36,755	2.7	3.51	5.51	14.9
2013	527,687	432	453	166.9	334	\$7.6	\$18.5	\$36,958	2.3	3.87	5.74	12.9
2014	531,720	459	464	167.4	420	\$7.9	\$19.9	\$38,795	2.8	4.56	6.00	11.2
2015	538,372	3,106	478	167.8	490	\$8.2	\$21.2	\$40,354	2.6	3.97	6.22	9.5
2016	545,008	3,257	493	168.2	686	\$8.7	\$22.2	\$40,798	3.0	4.07	6.47	8.5
2017	551,526	3,133	499	169.8	995	\$9.0	\$23.5	\$41,515	3.1	4.12	6.76	8.0
2018	557,773	2,760	505	170.9	1,144	\$9.4	\$24.8	\$42,155	3.0	4.18	6.88	7.6
2019	563,418	2,054	511	172.1	1,134	\$9.9	\$26.2	\$42,797	2.6	4.23	6.96	7.8
2020	568,508	1,410	516	173.2	1,089	\$10.3	\$27.6	\$43,459	3.1	4.29	7.11	8.0
2021	573,620	1,340	521	174.3	1,016	\$10.7	\$29.1	\$44,185	3.0	4.34	7.23	8.1
2022	578,575	1,112	525	175.4	948	\$11.1	\$30.6	\$44,941	3.0	4.40	7.39	8.2
2023	583,478	998	530	176.4	966	\$11.5	\$32.3	\$45,768	3.0	4.45	7.56	8.1
2024	588,263	826	534	177.4	1,045	\$12.0	\$33.9	\$46,601	2.9	4.51	7.71	8.0
2025	593,125	863	538	178.6	984	\$12.5	\$35.6	\$47,393	2.9	4.57	7.85	7.8
2026	598,051	899	542	179.6	1,049	\$12.9	\$37.3	\$48,133	2.8	4.62	7.98	7.6
2027	602,983	883	546	180.7	1,068	\$13.4	\$38.9	\$48,677	2.9	4.68	8.16	7.5
2028	607,916	878	551	181.8	1,057	\$13.8	\$40.7	\$49,169	2.7	4.74	8.36	7.5
2029	612,956	982	555	182.9	1,040	\$14.3	\$42.4	\$49,682	2.5	4.80	8.57	7.4
2030	617,958	941	559	184.0	1,070	\$14.9	\$44.1	\$50,222	2.4	4.86	8.76	7.4
2031	622,983	955	565	185.1	1,105	\$15.4	\$45.9	\$50,799	2.3	4.93	8.96	7.4
2032	627,985	918	570	186.3	1,128	\$16.1	\$47.8	\$51,283	2.5	4.99	9.16	7.4
2033	632,905	834	575	187.5	1,160	\$16.7	\$49.7	\$51,896	2.1	5.06	9.37	7.3
2034	637,717	743	579	188.7	1,236	\$17.3	\$51.7	\$52,475	2.3	5.12	9.58	7.3
2035	642,425	680	583	189.9	1,253	\$18.0	\$53.8	\$53,057	2.4	5.19	9.81	7.2
2036	647,060	655	588	191.2	1,188	\$18.6	\$56.1	\$53,496	2.8	5.26	10.05	7.2
2037	651,643	663	593	192.4	1,167	\$19.3	\$58.4	\$53,895	2.9	5.33	10.30	7.1
2038	656,147	652	598	193.6	1,204	\$19.9	\$60.8	\$54,372	2.7	5.40	10.55	7.0
2039	660,541	606	603	194.8	1,202	\$20.6	\$63.4	\$54,789	2.9	5.47	10.80	6.9
2040	664,855	576	608	196.0	1,191	\$21.2	\$66.0	\$55,232	2.8	5.54	11.07	6.8
2041	669,096	547	614	197.2	1,217	\$21.9	\$68.6	\$55,752	2.6	5.62	11.34	6.8
2042	673,252	492	619	198.5	1,197	\$22.5	\$71.4	\$56,317	2.5	5.69	11.61	6.7
2043	677,334	436	625	199.7	1,179	\$23.2	\$74.2	\$56,923	2.4	5.77	11.90	6.7
2044	681,341	373	630	200.9	1,147	\$23.8	\$77.0	\$57,617	2.2	5.85	12.19	6.7
2045	685,301	339	635	202.0	1,173	\$24.5	\$80.1	\$58,243	2.4	5.93	12.48	6.7
2046	689,220	303	640	203.2	1,153	\$25.1	\$83.1	\$58,894	2.3	6.01	12.79	6.6
2047	693,098	261	645	204.4	1,078	\$25.8	\$86.3	\$59,558	2.3	6.09	13.10	6.6
2048	696,921	206	650	205.5	1,012	\$26.6	\$89.6	\$60,223	2.3	6.18	13.42	6.6
2049	700,687	141	656	206.6	944	\$27.3	\$93.0	\$60,924	2.3	6.26	13.75	6.6
2050	704,368	53	661	207.6	800	\$28.0	\$96.6	\$61,655	2.3	6.35	14.09	6.6

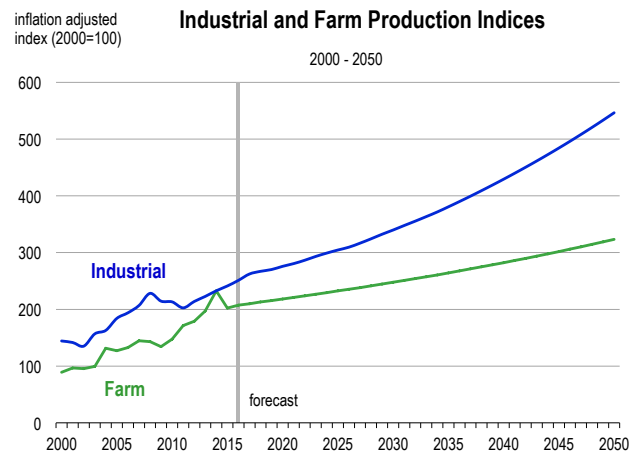
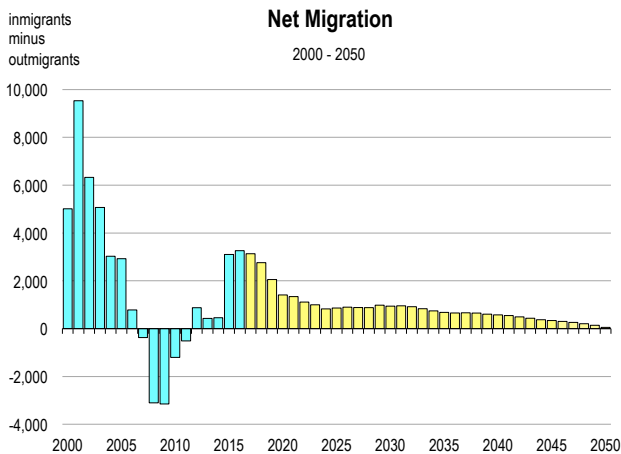
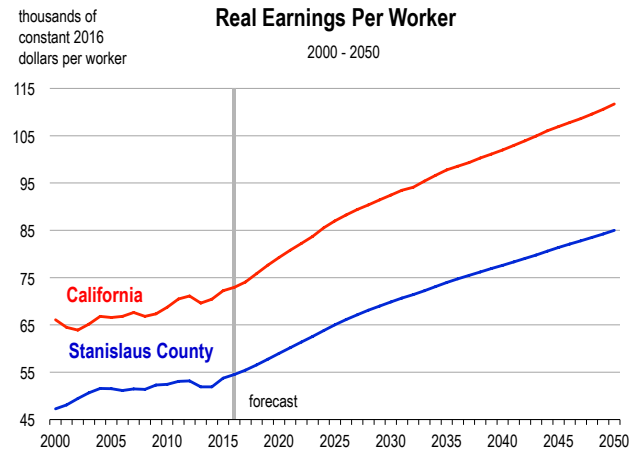
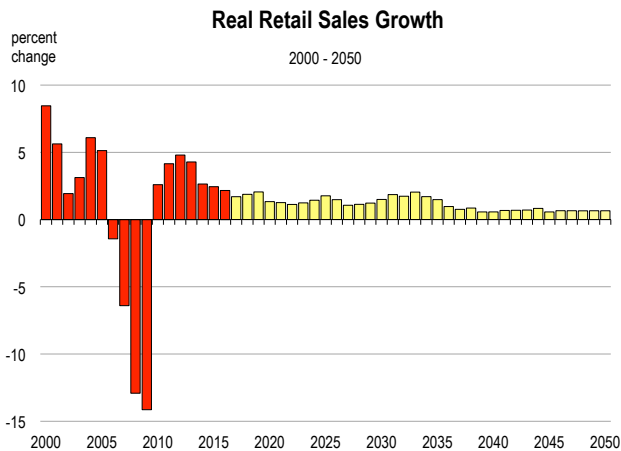


Stanislaus County Employment Forecast

2010-2016 History, 2017-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2010	163.8	12.9	5.9	20.7	6.2	25.4	5.5	12.5	1.2	27.8	14.6	26.2
2011	163.1	12.9	5.8	20.7	6.4	25.8	5.4	12.2	1.1	27.8	14.5	25.7
2012	166.3	13.4	6.3	20.7	6.8	26.7	5.4	12.8	1.0	28.1	14.9	25.4
2013	171.1	14.1	7.0	20.9	7.1	27.4	5.4	13.4	0.9	28.8	15.8	25.5
2014	175.8	14.1	7.5	21.2	7.2	27.7	5.3	13.8	0.9	29.8	16.9	26.1
2015	181.0	14.6	8.5	21.3	7.5	28.3	5.2	14.2	0.9	30.7	17.8	26.7
2016	187.0	14.9	8.9	21.7	8.2	29.1	5.3	14.7	1.0	31.6	18.6	27.5
2017	190.1	14.7	9.5	22.0	8.2	29.4	5.4	15.2	1.0	32.2	19.0	28.0
2018	192.0	14.6	9.6	22.0	8.3	29.7	5.4	15.9	1.0	32.6	19.0	28.1
2019	193.9	14.6	9.7	22.0	8.3	30.0	5.4	16.5	1.0	33.1	19.2	28.3
2020	195.1	14.6	9.3	22.1	8.4	30.2	5.4	16.9	1.0	33.5	19.5	28.5
2021	196.6	14.6	9.1	22.1	8.4	30.4	5.4	17.3	1.0	34.0	19.7	28.7
2022	198.4	14.6	9.0	22.1	8.4	30.6	5.4	17.7	1.1	34.5	20.0	29.0
2023	200.4	14.6	9.0	22.2	8.5	30.8	5.5	18.1	1.1	35.1	20.3	29.3
2024	202.3	14.6	9.1	22.2	8.5	31.0	5.5	18.6	1.1	35.7	20.5	29.5
2025	204.3	14.6	9.1	22.2	8.5	31.3	5.5	19.0	1.1	36.3	20.5	29.9
2026	206.1	14.6	9.2	22.1	8.6	31.6	5.5	19.4	1.1	36.9	20.6	30.2
2027	207.7	14.6	9.3	22.2	8.6	31.7	5.5	19.8	1.1	37.5	20.6	30.4
2028	209.4	14.6	9.3	22.3	8.7	31.9	5.5	20.2	1.1	38.2	20.6	30.6
2029	211.2	14.6	9.3	22.3	8.7	32.1	5.5	20.7	1.1	38.9	20.7	30.8
2030	213.1	14.6	9.4	22.3	8.7	32.4	5.5	21.1	1.1	39.6	20.8	31.0
2031	215.1	14.6	9.5	22.2	8.8	32.7	5.5	21.5	1.2	40.4	21.0	31.2
2032	216.9	14.6	9.5	22.2	8.8	33.0	5.5	21.8	1.2	41.1	21.1	31.4
2033	218.8	14.6	9.6	22.2	8.9	33.4	5.6	22.2	1.2	41.9	21.2	31.6
2034	220.7	14.6	9.6	22.2	8.9	33.7	5.6	22.5	1.2	42.6	21.4	31.8
2035	222.5	14.6	9.7	22.2	8.9	33.9	5.6	22.8	1.2	43.3	21.5	32.0
2036	224.2	14.6	9.7	22.2	9.0	34.1	5.6	23.1	1.2	44.1	21.6	32.2
2037	225.9	14.6	9.7	22.2	9.0	34.2	5.6	23.5	1.2	44.8	21.8	32.4
2038	227.6	14.6	9.8	22.2	9.0	34.4	5.6	23.8	1.2	45.6	21.9	32.6
2039	229.3	14.6	9.8	22.2	9.1	34.5	5.6	24.1	1.2	46.4	22.1	32.8
2040	230.9	14.6	9.9	22.3	9.1	34.6	5.6	24.4	1.2	47.1	22.2	33.0
2041	232.6	14.6	9.9	22.3	9.1	34.8	5.6	24.7	1.2	47.8	22.4	33.2
2042	234.3	14.6	10.0	22.3	9.2	34.9	5.6	25.0	1.2	48.6	22.5	33.4
2043	235.9	14.6	10.0	22.3	9.2	35.0	5.6	25.3	1.2	49.3	22.7	33.6
2044	237.6	14.6	10.0	22.3	9.2	35.2	5.6	25.7	1.2	50.1	22.8	33.9
2045	239.2	14.7	10.0	22.3	9.3	35.3	5.7	26.0	1.2	50.8	23.0	34.1
2046	240.9	14.7	10.1	22.3	9.3	35.4	5.7	26.3	1.2	51.5	23.1	34.3
2047	242.5	14.7	10.0	22.4	9.3	35.5	5.7	26.7	1.2	52.3	23.3	34.5
2048	244.1	14.7	10.0	22.4	9.3	35.7	5.7	27.0	1.2	53.0	23.5	34.7
2049	245.8	14.7	10.0	22.4	9.4	35.8	5.7	27.3	1.2	53.8	23.6	34.9
2050	247.4	14.7	10.0	22.4	9.4	35.9	5.7	27.7	1.2	54.5	23.8	35.1





County Economic and Demographic Indicators

Projected Economic Growth (2017-2022)

Expected retail sales growth:	7.9%
Expected job growth:	4.4%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	13.6%

Expected population growth:	4.9%
Net migration to account for:	32.1%
Expected growth in number of vehicles:	5.3%

Demographics (2017)

Unemployment rate (April 2017):	7.9%
County rank* in California (58 counties):	48th
Working age (16-64) population:	63.5%

Population with B.A. or higher:	16.6%
Median home selling price (2016):	\$260,000
Median household income:	\$52,880

Quality of Life

Violent crime rate (2015):	568 per 100,000 persons
County rank* in California (58 counties):	49th
Average commute time to work (2017):	28 minutes

High school drop out rate (2016):	13.6%
Households at/below poverty line (2017):	16.1%

* The county ranked 1st corresponds to the lowest rate in California